

regard to or on account of the existence or operation of this part or the conduct of any participants in the Multiclass Securities program.

**§ 330.50 Administration of multiclass securities.**

The GNMA guaranteed multiclass securities will be administered in accordance with the Association's requirements described in the Multiclass Guide.

**§ 330.55 Basis for removal from participation.**

A participant may be removed from the Multiclass Securities program if the Association, in its discretion, determines that any of the following exists or has occurred:

- (a) The participant, at any time, fails to meet any condition for eligibility;
- (b) The participant fails to comply with any provision of the Multiclass Guide or this part;
- (c) The participant is unable or fails to truthfully, correctly or fully submit such certifications as are required; and
- (d) Such further reasons as the Association determines necessary to protect the safety and soundness of the Multiclass Securities program, as set out in the Multiclass Guide.

**§ 330.60 Removal procedure.**

(a) A participant may be suspended from participation in the Multiclass Securities program upon written notice from the Association, which shall include the reasons for the suspension. The participant shall have the opportunity to submit a written presentation to the President of the Association, or designee, in support of its reinstatement, subject to such limitations as the Association in its discretion may impose as to length, time for submission, or otherwise. A determination by the President of the Association, or designee, shall exhaust the participant's administrative remedies.

(b) If a participant is suspended from the Multiclass Securities program, the Association shall have no obligation to complete a pending transaction involving the participant.

(c) After a participant has been removed from the Multiclass Securities program, the participant may request

reinstatement. Approval of the reinstatement is at the sole discretion of the Association.

**PART 340—FIDUCIARY ACTIVITIES**

Sec.

340.1 General.

340.3 Appropriations.

AUTHORITY: 12 U.S.C. 1723a and 42 U.S.C. 3535(d).

SOURCE: 60 FR 42019, Aug. 14, 1995, unless otherwise noted.

**§ 340.1 General.**

The Association is authorized by section 302(c) of the National Housing Act (12 U.S.C. 1717(c)) to create, accept, execute, and administer trusts and other fiduciary undertakings appropriate for financing purposes. Under this authority, the Association is authorized to acquire and otherwise deal in any mortgages or other types of obligations in which any department or agency of the United States listed in section 302(c)(2) of such Act may have a financial interest. Under its fiduciary powers, the Association may create, accept, and administer trusts consisting of interests in mortgages and obligations, sell to private investors certificates of beneficial interest, or participations, in the mortgages or obligations or in the interest and principal payments derived therefrom, and provide for payment of interest and principal and for retirement of the participations. The Association, in its ordinary corporate capacity as contrasted to its fiduciary capacity, is expressly authorized to guarantee the participations.

**§ 340.3 Appropriations.**

There is authority for Congress to appropriate such sums as may be necessary to enable the trustor of any trust (as described in § 340.1) to pay to the Association, as trustee, any insufficiency in aggregate receipts from the obligations subject to the trust to provide for the timely payment by the trustee of all interest or principal on the beneficial interests or participations related to such trust.

**PARTS 341–400 [RESERVED]**